



Budget Watchdog

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Republicans Divert \$6 Billion More of the Social Security Surplus

Today the House will consider under suspension of the rules a bill that would make permanent almost all of the education provisions in last year's Republican tax cut. Because the bill does nothing until 2011, the cost is estimated at almost \$6 billion in 2011 and 2012 alone. This total would rise in perpetuity, thus worsening the federal deficit, which the Congressional Budget Office (CBO) estimates will tap into the Social Security surplus each year for the next ten years even if we do not add new costs.

Earlier this year, Democrats highlighted how the President's budget and the House Republican budget resolution are not credible blueprints for the country. For instance, the House Republican budget resolution covers only the next five years, not the customary ten years. Today's bill, which lowers revenue beyond the budget resolution's five-year window, is another example of the irrelevance of the Republican budget resolution.

Democrats proudly take the lead in providing federal resources to ensure that all Americans have access to high quality education. However, we do not support programs that transfer federal funds out of public education and into private schools. We are also concerned by tax cuts without any offsets because they worsen the federal deficit — a deficit caused primarily by the ten-year tax cut Republicans enacted into law last year.

Today's Republican bill, the Education Affordability Act (H.R. 5203), makes permanent most of the education provisions in last year's tax cut law. While Democrats strongly support some of these provisions, H.R. 5203 also would make permanent the use of tax-free withdrawals from education savings accounts for non-public elementary schools.

Democrats will always support important federal priorities. However, given the current budget deficit, Congress needs to indicate how it will offset the cost of new initiatives.

Even without enacting any new policies, CBO estimates that last year's projected ten-year unified budget surplus of \$5.6 trillion will dwindle to \$336 billion. Excluding Social Security, CBO projects a \$2.0 trillion deficit, meaning that the Bush Administration will be diverting at least \$2.0 trillion from the Social Security Trust Fund surplus to pay for general operations of government. This total rises every time Republicans push through additional tax cuts.

Today's attempt to extend tax cuts beyond their scheduled expiration in 2010 suggests again that Republicans need to negotiate a real budget that will protect Social Security and Medicare while adequately funding our nation's other priorities.